

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2300
TO BE ANSWERED ON: 19.12.2025

**INDIA BPO PROMOTION SCHEME (IBPS) AND NORTHEAST
BPO PROMOTION SCHEME (NEBPS)**

2300. SHRI BHUBANESWAR KALITA:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the latest status of seat allocation and operationalisation under the India BPO Promotion Scheme (IBPS) and the Northeast BPO Promotion Scheme (NEBPS), including the number of seats successfully established and functional against the approved targets;
- (b) the total Viability Gap Funding (VGF) disbursed till date under both schemes, State/UT-wise and beneficiary-wise;
- (c) employment generated so far through BPO/ITeS units established under IBPS and NEBPS, particularly in Tier-II and Tier-III cities;
- (d) whether Ministry has undertaken a review of challenges faced by companies in setting up and sustaining BPO/ITeS operations under these schemes; and
- (e) if so, the key findings thereof?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (e): The Government launched two BPO promotion schemes, namely the India BPO Promotion Scheme (IBPS) and the North East BPO Promotion Scheme (NEBPS) under the Digital India Programme – “IT for Jobs” pillar.

The objective of these schemes was to promote investment in the IT/ITeS sector. These schemes created employment by incentivising the setting up of BPO/ITeS operations in non-metro locations, particularly Tier-II and Tier-III cities and small towns.

Both schemes provided Viability Gap Funding (VGF) of up to ₹1 lakh per seat. The duration of IBPS and NEBPS has since been completed.

Under these schemes, 246 units have set up 45,543 seats BPO/ITeS operations across 27 States/UTs of the country. These are distributed across 104 small towns/cities, providing direct employment to over 53,000 persons in tier 2/3 cities.

Financial support under IBPS and NEBPS was provided on a reimbursement basis, directly linked to employment generation by the units. Accordingly, 188 units claimed Viability Gap Funding and approximately ₹134 crore was disbursed to eligible units.

During the implementation of the schemes, the Ministry undertook regular consultations and reviews with stakeholders to address operational challenges faced by companies in setting up and sustaining BPO/ITeS operations.

Based on these reviews, several course corrections and relaxations were introduced, including:

- Reduction in the minimum number of seats required at a location
- Relaxation of minimum employment targets with pro-rata release of incentives
- Provision of advance payments upon commencement of operations

These measures helped improve participation, viability and employment outcomes under the schemes, while remaining aligned with their original intent of promoting inclusive growth and job creation in Tier-II and Tier-III cities.
